

FISCAL NOTE

Requested by Legislative Council
01/13/2003

Bill/Resolution No.: HB 1243

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$1,738,000 | \$5,936,000 | \$2,626,000 | \$7,737,000 |
| Expenditures | \$0 | \$0 | \$0 | \$4,198,000 | \$0 | \$5,111,000 |
| Appropriations | \$0 | \$0 | \$0 | \$4,198,000 | \$0 | \$5,111,000 |

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill would enable the State of North Dakota to participate in a multistate lottery. The bill would create a North Dakota lottery division of the Office of Attorney General, create a compulsive gambling prevention and treatment fund, specify the responsibilities and authority of a lottery director, require a competitive bid process on selecting a primary vendor, prescribe the selection process and qualifications of lottery retailers, establish a lottery advisory commission, establish a lottery operating fund, provide rule-making authority, set restrictions on the sale and purchase of lottery tickets, and provide for a setoff on certain lottery prize amounts to satisfy debt owed or collected through state agencies.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

General Fund revenues are estimated net proceeds resulting from operating a North Dakota lottery starting January 1, 2004.

Other funds revenues are estimated sales of lottery tickets, less prizes, plus estimated license fees, fees for doing record checks and unclaimed prizes.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Other funds expenditures are estimated administrative and operating expenses and funding for problem gambling. These

expenses include salaries for 6 FTE's, lottery commission, vendor and retailer fees, marketing and advertising, dues and one-time start-up costs.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Other funds appropriations are the same as the expenditures.

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